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**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

FILE: B-201999

DATE: June 24, 1981

MATTER OF: Paulmar Inc.

06869

DIGEST:

Sole-source procurement of small quantity of additional machines is justified to preserve integrity of supply system and avoid additional cost of adding another manufacturer's parts to inventory stock and issuing new repair manuals to cover added machines.

Paulmar Inc. (Paulmar) protests the proposed sole-source award by the United States Army Missile Command, Redstone Arsenal, Alabama, to Research Technology, Inc. (RTI), under solicitation No. DAAH01-81-R-A406. 06870

The solicitation is for a quantity of inspecting-cleaning and splicing machines, APN 10399085, NSN 6740-00-074-4612, which part numbers designate commercial items manufactured by RTI. The machines will be used to support the Moving Target Simulator for the REDEYE/STINGER Air Defense Guided Missile System (MTS). No specifications were contained in the solicitation, merely the part numbers.

Paulmar contends that its film inspection machine will meet the needs of the Government and that it should be allowed to compete for the requirement.

The Army concedes that Paulmar's equipment will perform suitably. However, the Army argues that because of the cost in establishing the logistical support for a second type film inspection machine in the system, the acquisition of the Paulmar system would be impracticable and not in the Government's best interests.

[Protest of Proposed Sole-Source Award of Army Contract]

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The MTS, which these machines support, is used for effective gunner training and is deployed in 13 locations worldwide. The films used in the MTS require cleaning after each use and, because of the demand for the use of the MTS in initial and follow-on training, a lack of downtime is critical. Individual firing units from other bases are periodically scheduled to use the MTS for follow-on training and the MTS must be ready for their use after arrival. Therefore, repair time is critical to avoid scheduling problems and efficient troop movement. When the system was initially deployed, consideration was given to having the machines supported by the contractor, but it was decided to develop in-house capability for maintenance and repair requirements as the most practical in terms of timely and efficient support. In furtherance of this goal, the Army now has a stock of initial and replenishment repair parts and Army technical instruction and repair manuals at each MTS location.

RTI has furnished 33 machines under five prior procurements. All but one were purchased from the General Services Administration supply contracts for photographic equipment; 13 are included in the MTS program and the remaining 20 are in the possession of the Army or other Government agencies. After the six additional machines being procured under the instant procurement are purchased, only an additional buy of three machines is contemplated. Because of the limited future purchases, the Army believes the added expense of logistical support is unwarranted. If a second source for the machines were now introduced into the Army's system, a duplication of the stock of parts and manuals would be necessary at a cost nearly equal to the current investment. The Army estimates the additional expense would be over \$600,000 to add Paulmar's units to the support system, assuming Paulmar won a competition. The Army states that it checked with four other agencies which use Paulmar equipment and found that none had developed logistical support but relied on Paulmar's warranty or a Paulmar service contract to fulfill their repair and maintenance needs.

Paulmar disputes the dollar amount advanced by the Army as the cost of adding the Paulmar unit to the Army's supply system as being unreasonable and contends that service of the units by Paulmar nationally and Bell & Howell, Incorporated, worldwide would meet the Government's needs.

Upon our review of the record, we find the Army has adequately justified its restriction of the procurement. While Paulmar argues that its repair capability will meet the Army's needs, we find the Army has justified its needs for quick response and its determination that Paulmar's 24-hour service offer is not sufficient to meet this need. In view thereof, and in view of the limited future purchases of these items, we believe the Army had a rational basis for the sole-source award to maintain the integrity of its current logistical supply system.

The protest is denied.



Acting Comptroller General  
of the United States